

## RESOLUTION

The governing body for the City of Burlington, North Carolina, held a regular meeting at the City Council Chambers, the regular place of meeting, on September 7, 2004 at 7:30 p.m.

Present: Mayor Stephen M. Ross, Councilmembers Maynard, Huffman,  
Jones and Starling

Absent: none

Also Present: City Attorney Bob Ward and City Manager Harold Owen

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Mayor Ross introduced the following resolution which was read:

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT WITH RBC CENTURA BANK TO FINANCE THE ACQUISITION OF CERTAIN EQUIPMENT FOR USE BY THE CITY OF BURLINGTON , NORTH CAROLINA, AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH**

BE IT RESOLVED by the governing body for the City of Burlington, North Carolina (the "Purchaser"):

Section 1. The governing body does hereby find and determine:

- a) The City of Burlington Proposes the acquisition of certain equipment, which may include fixtures as more fully described in the hereinafter mentioned Contract (collectively, the "Equipment");
- b) After consideration, the governing body has determined that the most advantageous manner of financing thereof is by an installment contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended;
- c) Pursuant to said Section 160A-20, the City of Burlington is authorized to finance the acquisition of personal property, including fixtures, by installment contracts that create a security interest in the property financed to secure repayment of the financing; and
- d) RBC Centura Bank ("RBC Centura") has proposed that RBC Centura finance the Equipment pursuant to an Installment Purchase Contract between the Purchaser and RBC Centura (the "Contract") and a related Escrow Agreement between the Purchaser and RBC Centura (the "Escrow Agreement").

Section 2. The governing body hereby authorizes and directs the Authorized Officer to execute, acknowledge and deliver the Contract and Escrow Agreement on behalf of the Purchaser in such form and substance as the person executing and delivering such instruments on behalf of the Purchaser shall find acceptable. The Clerk is hereby authorized to affix the official seal of the City of Burlington to the Contract and the Escrow Agreement and attest the same.

Section 3. The proper officers of the Purchaser are authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution and the Contract and the Escrow Agreement.

Section 4. Notwithstanding any provision of the Contract or the Escrow Agreement, no deficiency judgment may be rendered against the Purchaser in any action for breach of a contractual obligation under the Contract or the Escrow Agreement and the taxing power of the Purchaser is not and may not be pledged directly or indirectly to secure any moneys due under the Contract, the security provided under the Contract being the sole security for RBC Centura in such instance.

Section 5. The Purchaser covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") as required so that interest on the Purchaser's obligations under the Contract will not be included in the gross income of RBC Centura.

Section 6.. This Resolution shall take effect immediately upon its passage.

Upon motion of Huffman, seconded by Jones, members of the governing body, the foregoing resolution entitled "**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT WITH RBC CENTURA BANK TO FINANCE THE ACQUISITION OF CERTAIN EQUIPMENT, AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH**" was passed by the following vote:

Ayes: Mayor Ross, Councilmembers Maynard, Huffman, Jones  
and Starling

Noes: none

PASSED AND ADOPTED this 7th day of Sept., 2004

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I, Jondeen D. Terry, Clerk for the City of Burlington, North Carolina DO HEREBY CERTIFY that the foregoing has been carefully copied from the actually recorded minutes of the governing body of said City of Burlington at a regular meeting held on Sept. 7th, 2004, the record having been made in the minutes of said governing body, and is a true copy of so much of said minutes as relates in any way to the passage of a resolution providing for the authorization of the Installment Purchase Contract referred to therein.

I DO HEREBY FURTHER CERTIFY that a schedule, stating that the regular meetings of the Council are held on first and third Tuesdays of each month at 7:30 and 9:00 p.m./a.m., respectively, at Council Chambers in the City of Burlington, North Carolina, was on file with me for at least seven calendar days prior to said meeting, all in accordance with G.S. 143-318.12.

WITNESS my hand and corporate seal of said City of Burlington, this 8th day of Sept., 2004

Jondeen D. Terry  
Clerk, City of Burlington

[SEAL]

